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Novartis to acquire IFM Tre in a $310M deal

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IFM to receive $310 million upfront, with up to $1.265 billion in milestones for a total of $1.575 billion

IFM Therapeutics (IFM), a privately held biopharmaceutical company focused on developing therapies that modulate novel targets in the innate immune system, announced that it has reached a definitive agreement with Novartis, under which Novartis will acquire all of the outstanding capital stock of IFM Tre, a subsidiary company of IFM.

Upon the closing of the agreement, IFM will receive $310 million in upfront payments and will be eligible for up to $1.265 billion in milestone payments, for a total of $1.575 billion in total consideration. IFM Tre launched in July 2018, with a focus on developing a suite of NLRP3 antagonists for the treatment of inflammatory diseases.

The acquisition will give Novartis full rights to IFM Tre's portfolio of NLPR3 antagonists, which consists of one clinical and two pre-clinical programs: IFM-2427, a first-in-class, clinical stage systemic antagonist for an array of chronic inflammatory disorders including atherosclerosis and nonalcoholic steatohepatitis (NASH); a pre-clinical stage gut-directed molecule for the treatment of inflammatory bowel disease; and a pre-clinical stage central nervous system (CNS)-penetrant molecule.

NLRP3 (NOD-, LRR- and pyrin domain-containing 3) is an intracellular innate immune signaling receptor that allows immune cells to detect the presence of pro-inflammatory foreign or endogenous molecules that signal infection, tissue damage or metabolic derangements. These conditions trigger the assembly of a multi-protein complex called an inflammasome, which then initiates an immune response. While this response can be useful for fending off foreign pathogens, abnormal or chronic activation of the NLRP3 inflammasome is known to cause negative downstream effects and the onset and progression of numerous diseases.

IFM Tre's programs target the innate immune system by suppressing only the inflammation mediated by the NLRP3 pathway, leaving other immune pathways unsuppressed and free to produce inflammatory responses to confront harmful pathogens.

The transaction has been approved by the board of directors and stockholders of IFM. IFM and Novartis anticipate the transaction will close during the second quarter of 2019. Closing of the transaction is subject to customary closing conditions, including clearance under the Hart-Scott-Rodino Antitrust Improvements Act.